DISTRIBUTOR PRIVATE LABEL AGREEMENT

This AGREEMENT is made as of the ____ day of _____, 1993, between R. J. REYNOLDS TOBACCO COMPANY, a New Jersey corporation, doing business as Forsyth Tobacco Products ("RJR") and C.A. BURKE, a _____ corporation ("Customer").

The parties agree as follows:

1. RJR shall sell exclusively to Customer, and Customer shall purchase exclusively from RJR, cigarettes bearing the "VALUE $ENSE" name (the "Private Label Product"). RJR may sell the Private Label Product to accounts in addition to Customer, but it will not ship the Private Label Product to account locations in the States of

_____

_____

_____

_____.

Customer will not ship the Private Label Product to locations outside of the states referenced above.

2. The Private Label Product will be produced in the following standard 85mm and 100mm filter styles: full flavor, lights, ultra lights and menthol lights. Additional brand styles will be produced if mutually agreed by the parties.

3. The design, copy and coloring of pack and carton packaging for the Private Label Product have been developed by RJR and approved by the Customer.

4. Except as agreed in Paragraph 3, the blends, tar and nicotine levels, filters, tipping, wrapping paper and other materials, design and dimensions and all components and characteristics of the Private Label Product and its packaging will be as determined by RJR

51849 3845

Source: https://www.industrydocuments.ucsf.edu/docs/gswy0000

from time to time. Customer agrees and acknowledges (a) that it does not have and will not acquire by virtue of this Agreement and activities contemplated by it, any rights to proprietary information, trade secrets, blends, processes, designs, specifications, or formulas, patents, the "VALUE BRAND" trademark, or similar designation and copyrights associated with the Private Label Product and its packaging, and (b) that RJR has the right to sell to any person at any time cigarettes having blends and other components and characteristics similar or identical to those cigarettes used in the Private Label Product.

5. Customer shall use its best efforts to sell, market and promote the Private Label Product and will feature the Private Label Product as its primary cigarette in the lowest price category. Customer will not purchase, sell or distribute any other cigarette which is manufactured exclusively for Customer or is sold or distributed exclusively through Customer within its area of operations.

6. Price, rebates, allowances and other terms and conditions of sale will be determined by RJR from time to time. However, RJR will not increase prices if after any increase pricing will not be competitive with prevailing prices generally available to commercial customers in the U.S. market.

7. RJR's normal credit terms and policies will apply to Customer. RJR reserves the right to implement purchase allocations from time to time to control inventory levels in accordance with its past practices. Purchases of the Private Label Product by Customer will be eligible for RJR's Electronic Funds Transfer and Winners-Partnership in Performance Program, as they may be modified from time to time.

8. This Agreement shall remain in force and effect for a primary term beginning on the date first written above and ending five (5) years from the first invoice date to Customer. This Agreement shall be automatically renewed on the same terms and conditions for an

51849 3846

Source: https://www.industrydocuments.ucsf.edu/docs/gswy0000

additional term of _____ (___) years each unless at least one hundred eighty (180) days before the end of the primary term or any additional term, either party gives the other notice in writing that it will not renew this Agreement. If Customer desires to distribute a private label cigarette after this Agreement ends, and receives an offer from another supplier to produce and sell such a product, Customer will not accept such offer without first notifying RJR of its terms and conditions and giving RJR thirty (30) days after receipt of such notice to review the offer. If within the referenced thirty (30) days, RJR offers to produce and sell a private label cigarette on the same terms and conditions as contained in the other supplier's offer, Customer will accept RJR's offer and reject the other supplier's offer.

9. After the expiration or termination of this Agreement for whatever reason, Customer will, if needed to deplete RJR inventory of the Private Label Product, purchase Private Label Product in an amount up to its average thirty (30) day purchase requirements, and thereafter it will not purchase, sell or distribute cigarettes bearing the "VALUE $ENSE" name or similar designation.

10. Excepting only the fact that RJR is manufacturing the Private Label Product for Customer, neither party will disclose the provisions of this Agreement to third parties and shall take reasonable steps to maintain the confidentiality of its provisions.

11. This Agreement cannot be assigned and the performance of duties hereunder cannot be delegated, in whole or in part, without the prior written consent of both parties.

12. Customer represents and warrants that the execution, delivery and performance of this Agreement will not violate the terms of any contract, obligation, restriction or commitment of any kind to which Customer is a party or by which it is bound.

13. All notices and communications required or permitted by this Agreement shall be in writing, deemed effective when received, and sent to:

51849 3847

Source: https://www.industrydocuments.ucsf.edu/docs/gswy0000

If to Customer:

C. A. BURKE
545 FIRST AVE. EAST
ROSELLE, N.J. 07203
ATTENTION: NEIL BURKE

If to RJR:

R. J. Reynolds Tobacco Company
401 North Main Street
Winston-Salem, North Carolina 27102
Attention: Jim Helm

14. This Agreement contains the entire understanding of the parties and may not be changed except by agreement of both parties in writing. Failure of either party to enforce any of the provisions hereof shall not be construed as a general relinquishment of that or any other provision. This Agreement shall be governed by the laws of the State of North Carolina.

_____

By: _____

Its: _____

R. J. REYNOLDS TOBACCO COMPANY,
d/b/a Forsyth Tobacco Products

By: L. V. Wolfe

Its: _____

Source: https://www.industrydocuments.ucsf.edu/docs/gswy0000